



Report to Iowans

from **U.S. Senator Chuck Grassley** of Iowa

FALL 2006

Dear Friend,

This summer I wrapped up my annual visit to each of Iowa's 99 counties to answer questions and listen to the concerns of my constituents as I represent Iowa in the United States Senate.

There's no doubt that Iraq and Afghanistan are in the minds of many with more than 2,300 service men and women from Iowa serving there. Progress has been made on this front of America's war on terror thanks to their sacrifice and courage. Over 200,000 Iraqi troops have been trained, or are in training to takeover Iraq's national military and police force. As this number continues to increase, we should expect to see a decrease in the number of Americans deployed. It's very important that our country continue to send the message to Iraqis that we won't be there forever. American troops are committed to supporting a free Iraq until Iraq can pick up more responsibility for its own national security, and that goal needs to be met as quickly as possible.

In Washington, the U.S. Congress has been at work to support our soldiers in the field, while also enhancing the economic, retirement and health security of all Americans.

This summer, Senate appropriators prepared legislation that includes \$50 billion in emergency funds for fighting the wars in Iraq and Afghanistan. A separate defense authorization bill would add \$20 billion in supplemental spending so that military readiness isn't jeopardized by funding shortfalls.

Here at home, high gas prices continue to underscore America's dangerous dependence on foreign sources of oil. I'm continuing my long-standing efforts to encourage expanded production and use of renewable energy, including ethanol, biodiesel, biomass and wind. The time is right to continue building on the substantial progress made for homegrown energy in the national energy policy adopted in 2005.

Retirement security has been another priority of mine as chairman of the Senate committee that's responsible for tax policy and Social Security. In August, the President signed into law a comprehensive overhaul of the nation's pension system to better protect the retirement plans of millions of Americans. The Pension Protection Act of 2006 included many reforms I sought to prevent future Enron-type scandals, along with my initiatives to expand personal savings for retirement.

For Medicare beneficiaries in Iowa and across the country, the Medicare prescription drug program has been a success with three quarters of Iowa's 499,000 Medicare beneficiaries now having prescription drug coverage. Less than 30 percent were covered before the new benefit – called Medicare Part D – took effect in January of this year. I sponsored the Medicare legislation that created this new program, and I'll continue to keep very close tabs how it's working for beneficiaries.

When I took the oath of office to be your United States Senator, I pledged to honor the Constitution. This includes a fundamental allegiance to uphold the rule of law. Every year, nearly a million new immigrants get an opportunity to make the American dream their own. It'd be a slap in the face to all those who wait in line and follow the rules to come to our country to grant amnesty to the 12 million who are here illegally. It wouldn't fix the problem either. I voted for amnesty in 1986, when the case was made that it would take care of the problem, which was 1 million illegal immigrants at the time. The problem only multiplied. Immigration reform must respect the legal system.

This newsletter contains more information about these issues. I hope it's helpful and invite your comments and questions on these and any other subjects. Please keep in touch. I appreciate hearing from you.

Sincerely,

Chuck.

U.S. Senator Chuck Grassley



Senator Grassley continues his annual visits to Iowa's 99 counties with a meeting in Osage in Mitchell County on July 3.

Medicare Rx Update

The Medicare Prescription Drug Benefit has come a long way. Iowans keep sending letters and emails expressing how well this benefit is working for them.

In May, I introduced the Medicare Late Enrollment Assistance Act to eliminate the Medicare prescription drug benefit enrollment penalty for 2006. This legislation would give Medicare beneficiaries more time to study their options and another opportunity to sign up for the program without penalty.

I encourage those who have not yet signed up for the plan to do so as soon as possible. There are several resources available to you:

www.medicare.gov
1-800-MEDICARE

Iowa State Health Insurance Information Program (SHIIP) at 1-800-351-4664.



Photo courtesy of Ty Matsdorf

Senator Grassley and Senator Baucus (D-MT) unveil the “Medicare Late Enrollment Assistance Act” during a news conference in May.

Doughnut Hole

The “doughnut hole” represents the gap in coverage in the prescription drug benefit program. Enrollees may share costs with the plan until their total drug costs reach \$2,250. After this, enrollees will pay all of their drug costs until they have spent \$3,600 out of pocket this year. After they have reached this amount, their Medicare drug plan will pay 95 percent of the cost for covered drugs for the remainder of the year.

All beneficiaries in traditional Medicare have access to prescription drug plans that fill the so-called “doughnut hole” in coverage. The Medicare administrator has announced that 70 percent of Medicare beneficiaries have access to Medicare Advantage plans charging no drug coverage premiums. Additionally, in some local markets Medicare Advantage plans charge no drug premiums for coverage that fills the “doughnut hole” gap.

Iowa Plans that Have No Deductible and Coverage in the Doughnut

Generic Drug Coverage in the Doughnut

- Unicare: MedicareRx Rewards Premier - \$38.07
- Cigna: Signature Rx Complete Plan - \$46.59

Generic and Brand Drug Coverage in the Doughnut

- Humana: Humana PDP Complete - \$38.70
- Aetna: Aetna Medicare Rx Plus - \$48.40
- PacifiCare: PacifiCare Comprehensive Plan - \$49.40
- Aetna: Aetna Medicare Rx Premier - \$64.78

You and your Pharmacist

The local pharmacy is often the most convenient place for seniors to fill their prescriptions. To most, the relationship a person has with their pharmacist is a very important one. For this reason, during deliberations on the law that established the new Medicare prescription drug benefit, I worked to include provisions that would help ensure that Medicare beneficiaries continue to have access to their local pharmacies. Specifically, the law requires that a prescription drug plan accept any pharmacy willing to accept the plan’s terms and conditions for participating in its network. The law also prohibits any plan from requiring enrollees only to use mail-order pharmacies.

Keeping the Welcome Mat Intact

Immigration reform has been a major topic in Congress this year. Both the House and the Senate have passed legislation to address the illegal immigration problem. The bills have one major difference that has created a stumbling block to reaching an agreement: amnesty.

I voted “no” in May when the Senate considered a bill that included a free path to citizenship for those who are here illegally. I learned from a vote I cast 20 years ago that rewarding illegality only promotes more illegality.

In 1986, Congress passed an immigration bill that gave amnesty to the estimated 1 million illegal immigrants in the United States. I voted for that bill, believing that it would solve the illegal immigrant problem. Unfortunately, I was wrong, and we now have nearly 12 million illegal immigrants in the United States.

While we first must close the borders to illegal immigrants, it’s important that a guest worker program be included in comprehensive immigration reform. Any guest worker program must ensure that illegal immigrants currently in the United States return to their home country before legally entering the United States.

Renewable Energy gets Green Light

The need to achieve energy security remains strong. That is why I am such a strong advocate for the use of alternative fuels.

It is important that we greatly reduce our reliance on foreign sources of energy. Iowa leads the renewable fuels effort by continuing to cultivate a home-grown energy resource that will strengthen our energy independence. With 25 ethanol plants currently in operation and four more under construction, we can fuel our economy and promote the work of Iowa farmers.

At the beginning of the summer I introduced the 25 by '25 initiative, which sets a goal for the United States to generate 25 percent of our energy needs by the year 2025. To reach this landmark, it's going to take bold ideas and workable solutions. The 25 x 25 initiative has broad-based support from agriculture, environment and industry groups demonstrating that we need to reduce our dependence on foreign oil.



Senator Grassley is leading a congressional initiative along with House Agriculture Chairman Bob Goodlatte (R-VA) to get 25 percent of the United States' energy from renewable sources by 2025.

Pension Reform

The Pension Protection Act of 2006 was one of the most important pieces of legislation to pass Congress this year. It will help ensure that Enron-type scandals, where you lose your entire retirement savings, don't happen to employees again. It will guarantee that corporations make sure their pensions are well-funded. It also will help workers put more money in 401(k) plans and IRAs. These provisions and others are part of my effort to enhance retirement security for Americans.

What will this bill do for you?

- **Full funding:** Companies are required to fund 100 percent of their pension obligations, instead of the 90 percent required today. If a plan dips below 80 percent, it has to make up that underfunding at a faster pace.
- **Automatic Enrollment:** Employers will be able to automatically enroll their employees in tax-favored savings plans. Employees will be able to opt out at their discretion.
- **Better Disclosure:** Companies will have to tell workers more about their pension funding status.
- **Diversified Investments:** Companies must allow employees to diversify their pension investments from company stock after three years.
- **Independent Advice:** 401(k) customers can get investment advice directly from their provider if that advice was generated by a computer model. The advice will be independent, not biased in the 401(k) providers' favor.

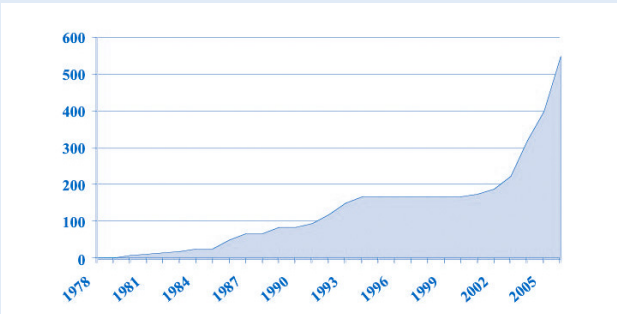
Paying for College

The new pension law also makes permanent a provision in the tax code that lets families make tax-free withdrawals from state-sponsored college savings plans for college expenses. The plans allow investments from parents and grandparents to grow tax free. Nearly \$1.5 billion is invested in Iowa's plan, *College Savings Iowa*.

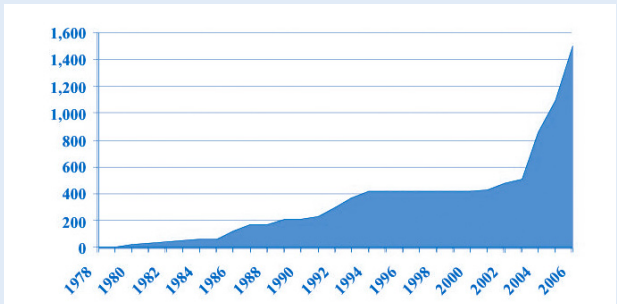
As of August 14, Iowa currently has:

- **11 biodiesel refineries with a combined annual capacity of nearly 200 million gallons either in operation or under construction.**
- **25 ethanol refineries with the capacity to produce over 1.5 billion gallons annually.**
- **4 ethanol refineries and 2 expansions under construction with a combined annual capacity of 425 million gallons.**

IOWA CORN USED FOR ETHANOL
(millions of bushels)



IOWA ETHANOL PRODUCTION
(in millions of gallons)



Source: Iowa Corn Promotion Board

U.S.S. *Chuck Grassley*

Postal Customer:
IOWA

United States Senate
WASHINGTON, DC 20510-1501
OFFICIAL BUSINESS

Let me know what's on your mind.

Washington, DC Office

135 Hart Senate Office Building
Washington, DC 20510-1501
202/224-3744

<http://grassley.senate.gov>

chuck_grassley@grassley.senate.gov

Iowa Offices

206 Federal Building,
101 1st St., SE
Cedar Rapids, 52401 319/363-6832

307 Federal Building,
8 S. 6th St.
Council Bluffs, 51501 712/322-7103

131 W. 3rd St.,
Suite 180
Davenport, 52801 563/322-4331

721 Federal Building,
210 Walnut St.
Des Moines, 50309 515/288-1145

103 Federal Building,
320 6th St.
Sioux City, 51101 712/233-1860

210 Waterloo Building,
531 Commercial St.
Waterloo, 50701 319/232-6657

Keep in Touch

On Line

In addition to letters, emails and phone calls, you can stay in touch with me through a virtual town hall meeting I hold every week that the Senate is in session. It's called "Straight from Capitol Hill: A Grassley Webcast."

You can access the Webcast at <http://grassley.senate.gov> and email questions to the virtual meeting at Grassley_webcast@grassley.senate.gov. Any question not answered during the Webcast will be answered by postal mail.

On Cable

You can also tune in once a month to my call-in program on cable TV. "Ask Your Senator: A Live Town Meeting" typically airs at 6:30 pm on the third Wednesday of the month. Check your local listings for time and channel.



Senator Grassley takes Iowans around Capitol Hill for virtual town hall meetings every week that the Senate is in session. The Webcast pictured here took place in the Hart Senate Office Building.

Senator Grassley visits each of Iowa's 99 counties every year. Be sure to check your local newspaper or Senator Grassley's website to see when he's in your county next year.